



ATLANTIC POLICY CONGRESS
OF FIRST NATIONS CHIEFS SECRETARIAT

Pre-Budget Submission to the House of Commons
Standing Committee on Finance
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Submission to Standing Committee on Finance

Like the federal government and provincial governments across Canada, Chiefs in Atlantic Canada are concerned about the widespread impacts of the COVID-19 pandemic on our communities and citizens. Many First Nation communities face considerable challenges involving poverty, chronic health problems and diseases, poor housing, limited access to high-speed internet, access to clean water and wastewater management, education gaps and employment disparities.

COVID-19 has put socio-economic progress at risk

First Nation communities continue to grow at a very rapid rate and we are experiencing increasing gaps in socio-economic equity with non-Indigenous Atlantic Canadians. Over the past decade, First Nation communities in Atlantic Canada have undertaken many efforts to build business opportunities to increase employment, training, and education outcomes. Many communities have continued to expand existing businesses and have even established new businesses to further economic development. Additional growth in our private Indigenous business sector has continued to expand exponentially, and interestingly, this growth is led by Indigenous women entrepreneurs. The pandemic has put these advances at risk.

COVID-19 has created serious health, safety and housing challenges

Like all businesses and communities across the region and country, First Nation communities have had to change how we deliver services to ensure we keep everyone within our community safe. Federal programs and supports have provided considerable assistance and have helped many of our communities manage through the financial impact of the COVID-19 pandemic. However, as COVID-19 enters its second wave, our business activities have incurred considerable losses, including the loss of own-source revenues. These considerable reductions in revenues have had a direct impact on the ability of First Nation communities to address the many and varied needs of our community members, both on and off the reserve.

Considerable COVID-19 related challenges for First Nations who live off-reserve have created additional pressure to provide direct assistance and support to our communities. The growing demands for emergency and new housing is the result of our citizens moving back to First Nation communities due to job losses or serious financial challenges. This has placed considerable pressure on community programs and services.

Housing, and the growing demand for emergency housing, for an increasing number of homeless First Nations people has created growing pressures in First Nation communities. So far, no concrete National First Nation Housing Strategy has emerged and many of the communities in this region are very frustrated. Chiefs believe it is time for an **Atlantic Housing Strategy** to identify and address our diverse and specific needs and realities in Atlantic Canada. A comprehensive long-term strategy with a new funding model will help ensure the many diverse needs are addressed and the crisis does not continue to grow.

APEC study underscores the widening gap

To get a clear picture on the impacts of COVID-19 on First Nations communities, the Atlantic Aboriginal Economic Development Integrated Research Program (AAEDIRP) commissioned a research study with the Atlantic Provinces Economic Council (APEC) earlier this year. The report released June 17, 2020, provided a number of specific recommendations which, we believe, must be considered for action and will require direct federal investments. I have enclosed a complete copy of the report for your consideration. Documented losses of own-source revenues have placed a considerable strain on our businesses. During this period, the socio-economic gaps between our communities and the rest of Atlantic Canada has grown substantially. We are now in the midst of a second wave of COVID-19 in Atlantic Canada, and the spread of the virus will be immediate and deadly for our people who have chronic health conditions and are living in overcrowded housing situations.

Need for a First Nations Recovery Action Plan

As such, we are asking that the government to continue supporting our communities until the end of the COVID-19 crisis and that the government build an economic recovery plan focused specifically on First Nation communities in Atlantic Canada. Chiefs across Atlantic Canada believe there is a great need for a **First Nation Recovery Action Plan** to support efforts of all our communities to help build wealth and opportunities. We can contribute a growing, educated and trained workforce to address the many skill shortages across the region in various sectors. The new jobs and new economy which will emerge following the COVID-19 pandemic must be fully inclusive of First Nations participation.

Our growing Indigenous business sector must be supported to participate as sectors of the economy reopens. Sectors like fishery, tourism, service industries, and aquaculture

are well positioned to grow in Atlantic Canada. These opportunities cannot be sustained without high-speed internet in all our communities. Full access to high-speed internet will be critical for our communities and our Indigenous business sector so we can transition our businesses to online services, shopping, delivery and sales.

Access to education and digital support

Other critical priorities in Atlantic region are the continued gaps in education. Adapting to online learning is not an easy option for many of our people who live in poverty and are unable to afford a basic computer or high-speed internet access. This lack of infrastructure and access creates serious disadvantages for those from kindergarten to Grade 12 and beyond. As post secondary institutions change delivery models, the need for a basic computer and high-speed internet is essential for learning and participation. With COVID-19, access to online learning is now essential to ensure participation of students in all classroom settings.

Progress on water

One important bright spot in Atlantic Canada is the development and implementation of an Atlantic First Nation Water Authority. The First Nations led Water Authority is now underway and will address our communities' long-term needs for safe water and proper wastewater disposal. We believe communities will have the resources to address water and wastewater issues now and for the coming next three decades.

Health care concerns

In health, there continue to be serious issues related to intergenerational trauma, mental health and addiction. These health issues have become even more serious throughout the COVID-19 pandemic. Increasing the need for communities to have the capacity and expertise to mobilize a localized mental health service is essential. Efforts to develop our own approaches to governance, management and accountability of the full range of health care services in our communities is an important effort and must be fully supported by both the federal and provincial governments. Increased expertise and capacity in our communities allows for better access to needed services and expertise.

APEC study points to solutions

I would also like to highlight the recommendations which arose out of our extensive APEC study completed earlier this year:

1. The recent doubling of the Indigenous Community Support Fund is a step in the right direction. However, APEC recommends the federal government double the Indigenous Community Support Fund again. The additional funding recommended would only cover about 35% of Atlantic First Nations anticipated fiscal shortfall this year, allowing for the community support funding already announced. This would still require sound fiscal management by Atlantic Indigenous communities, including creating new revenue sources, cutting spending or finding cost savings through use of technology. Communities able to afford more debt should have more borrowing options. For example, the federal government could provide more seed funding for the First Nations Finance Authority beyond just providing interest relief on existing debt.
2. Since not all communities are members of the First Nations Finance Authority, one option the federal government should consider is to create a separate lending program for First Nations to recognize the unique financial situation brought on by the coronavirus. If the debt security instruments were guaranteed by the federal government, that would ensure a low interest rate.
3. Federal government funding for the public health response is insufficient to address the cost of community checkpoints, security, personal protective equipment, public health care workers and modifications to community-owned facilities and businesses. Until there is viable vaccine or health therapeutics that limit the impact of COVID-19, there will be a continued need for public health funding.
4. Some community-owned businesses and self-employed First Nations entrepreneurs located on-reserve are ineligible for the Canada Emergency Wage Subsidy because of their ownership structure or tax-exempt status. The federal government should broaden the eligibility rules to include all community-owned businesses and self-employed First Nations entrepreneurs on-reserve regardless of their ownership structure or tax-exempt status. This measure would eliminate the need to provide proof of incorporation or tax returns for the last two years to be eligible for the Canada Emergency Wage Subsidy.
5. In the strong likelihood that the coronavirus extends into 2021, the federal government should provide another round of funding for Indigenous communities and businesses. As well, creating a set-aside for Indigenous businesses for government procurement, and support to help Indigenous firms pivot to produce personal protective equipment, would be of value.

Finally, our Chiefs support all elements of the Pre-Budget submission made by National Chief Perry Bellegarde of the Assembly of First Nations on August 8, 2020. This report entitled *Maintaining Momentum – 2021 Pre-Budget Submission*, has provided a detailed overview of the financial investments needed to address all priorities identified.

Recognizing these are challenging and unprecedented times for all Canadians, the Federal Government has the opportunity and imperative to ensure First Nation communities in Atlantic Canada and across the nation are not further disadvantaged. Investments made in the next federal budget that address our varied priorities and circumstances will help ensure the gap is not further widened.